

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 98-641

October 27, 1998

NORTHERN UTILITIES, INC.,
Proposed Cost of Gas
Adjustment for the 1998-1999
Winter Period and Annual
Environmental Recovery Cost
Adjustment

ORDER

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

I. Summary

In this Order the Commission approves Northern Utilities, Inc.'s (Northern) proposed Cost of Gas Adjustment (CGA) for the 1998-1999 winter period and its annual Environmental Response Cost Adjustment (ERCA) as proposed. We further require that Northern report to the Commission no later than December 7, 1998 as to the rate impact and its proposal regarding any adjustment to the winter CGA rate to reflect changes to the Portland Natural Gas Transmission System's (PNGTS) in-service date.

I. Procedural History

On August 31, 1998, pursuant to 35-A M.R.S.A. § 4703 and Chapter 43(2) of the Commission's Rules, Northern filed its proposed CGA for the 1998-1999 winter period and its proposed annual ERCA as approved in Docket No. 96-678.¹ The Commission issued a Notice of Application to intervenors in prior CGA cases and by publication in newspapers of general circulation in Northern's service area.

The Office of the Public Advocate intervened. A preliminary hearing was held on September 25, 1998 at the Commission. The Examiner established a schedule for this proceeding which was later revised at Northern's request and by agreement of the parties.

The Advisory Staff and OPA issued Data Requests to the Company on its filing. The Staff and parties participated in a recorded technical conference on October 16, 1998 at which all issues were discussed. On October 21 and 22, 1998, Northern

¹ Northern requested, and was allowed, an extension of time to file its proposal. See Procedural Order dated August 17, 1998.

filed revised tariffs reflecting updated information, minor changes, and corrections. The Advisory Staff issued its recommendation to approve Northern's proposed CGA on October 22, 1998. No party excepted to Staff's recommendation.

III. Record

The record in this proceeding includes all filings, data responses, transcripts, and any other materials provided in this proceeding.

IV. Discussion

Northern's revised filing proposes a 1998-1999 Winter Period CGA rate of \$(0.1824) per hundred cubic feet (Ccf) to become effective November 1, 1998. The filing also proposes an ERCA of \$0.0055 per Ccf.

The CGA filing includes amounts to reflect an anticipated in-service date for PNGTS of January 1, 1999. However, the actual date on which PNGTS will have completed construction and commenced service is uncertain at this time. If PNGTS does not provide service on this date, Northern will need to use other resources whose costs may differ from those included in this filing. Accordingly, the Advisory Staff and parties have agreed that a reasonable procedure to address this uncertainty is for Northern to report no later than December 7, 1998 on its then-anticipated resource supplies and costs and to propose a mid-course adjustment to the CGA rate if warranted. Northern will file its report in this docket. OPA and Advisory Staff may review Northern's proposal and also make a recommendation to the Commission at that time. Any new CGA rate would be implemented on January 1, 1999.

We approve Northern's proposed 1998-1999 Winter Period CGA based on the Advisory Staff's recommendation and the parties' agreement to the approach outlined above for a possible mid-course correction on January 1, 1999. We also approve Northern's proposed ERCA.

Accordingly, we

O R D E R

1. That the CGA rate of \$(0.1824) per Ccf shall take effect for gas consumed on or after November 1, 1998;

2. That Northern's Twenty-eighth Revised Sheet No. 20.1, Draft 2, Twenty-sixth Revised Sheet No. 20.2, Draft 2, and Thirty-seventh Revised Sheet 15.1, Draft 2, constituting its Cost

of Gas Adjustment for the period November 1, 1998 through April 30, 1999, are approved;

3. That Northern's Fourth Revised Sheet No. 34.3, Draft 1, the Environmental Response Cost Adjustment tariff, is approved and will become effective November 1, 1998; and

4. That Northern will file a further report and proposal no later than December 7, 1998 in this docket.

Dated at Augusta, Maine this 27th day of October, 1998.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: WELCH
NUGENT
DIAMOND

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of adjudicatory proceedings are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 6(N) of the Commission's Rules of Practice and Procedure (65-407 C.M.R.11) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which consideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320 (1)-(4) and the Maine Rules of Civil Procedure, Rule 73 et seq.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320 (5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.